

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Competitive Product Prices  
Bilateral Agreement Between United States Postal  
Service and Royal Mail Group, LTD (MC2010-34)  
Negotiated Service Agreement

Docket No. CP2015-1

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued October 15, 2014)

To clarify its filing in this case, the Postal Service is requested to provide written responses to the following questions. Answers should be provided no later than October 17, 2014.

1. Please confirm (or explain if you cannot confirm) that the revenue flow associated with the agreement presented in this docket is consistent with the revenue flow for Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 agreements.
2. Please confirm (or explain why you cannot confirm) that International Merchandise Return Service (IMRS) is not listed under Mail Classification Schedule (MCS) 2615 as an international ancillary service.
3. Please confirm (or explain why you cannot confirm) that the only reference to International Merchandise Return Service in the MCS is to a current market test.
4. In Response of the United States Postal Service to Chairman's Information Request No. 1, October 6, 2014, question 1 (Response to CHIR No. 1), the Postal Service confirmed that its request in this docket is independent of the

Royal Mail Group Inbound Air Parcel Post Agreement filed in Docket Nos. MC2009-24 and CP2009-28.

- a. Please confirm (or explain if you cannot confirm) that agreements approved for inclusion within the parent FPO 1 product to date, have not offered special service independent of a previous (or existing) agreement with the same foreign operator.
  - b. Please confirm (or explain if you cannot confirm) that the parcels eligible for IMRS in the instant agreement would not be the subject of a previous (or existing) Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 agreement with Royal Mail Group, Ltd.
5. In its Response to CHIR No. 1, question 4c, the Postal Service characterizes the service proposed to be offered in the agreement presented in this docket essentially as an ancillary service for inbound parcels originating in the United Kingdom to the United States. The Postal Service further asserts that this is explicitly contemplated in the existing classification language at section 2515.10.1.a, which provides “[s]uch agreements may also establish negotiated prices for services ancillary to such items and for customized competitive services developed for application solely in the context of the agreement.” The Response to CHIR No. 1, question 7 quotes the same excerpt. Please address the Postal Service's understanding of the reference to "such items" in the quoted excerpt.
6. In its Response to CHIR No. 1, question 7, the Postal Service offers MCS language "to the extent" the Commission considers explicit mention of IMRS necessary.
  - a. Please confirm (or explain if you cannot confirm) that the MCS language the Postal Service proposes includes a reference to an international ancillary service that is not listed in the existing MCS.

- b. Please address the appropriateness of referring to an international ancillary service that is not currently recognized in the MCS.
  - c. Please elaborate on why the referenced response seems to indicate that the Postal Service thinks no explicit mention of IMRS in the related MCS provision is necessary.
- 7. Please explain the Postal Service's views on the scope of the reference to ancillary services in the proposed modification of the description of Inbound Competitive Multi-Service Agreements with Foreign Postal Operators, such as whether the intent was to include any service that can be deemed ancillary; only a service that is formally recognized as an international ancillary service in the MCS; or some combination of these options.
- 8. If the Commission were to approve the agreement presented in this docket, the MCS entries for existing international ancillary services seem to offer templates for the Commission's approval of the addition of IMRS as an international ancillary service, adapted to the present circumstances. With this addition, the agreement presented in this docket could be included in the MCS as an IMRS negotiated service agreement.
  - a. Please address the Postal Service's views on the benefits and drawbacks of this approach.
  - b. Please provide suggested MCS language reflecting the approach discussed above.

By the Chairman.

Ruth Y. Goldway